

DEPARTMENTAL NOTICE #16
WITHHOLDING OF TAX ON RIVERBOAT GAMING WINNINGS

JUNE, 2002

This document does not meet the definition of a “statement” required to be published in the Indiana Register under IC 4-22-7-7. The purpose of this document is to provide general information about withholding on riverboat gaming winnings.

Subject: Requirements on withholding individual income tax on winnings from riverboat gaming.

Reference: IC 6-3-4-8.2

General Statement

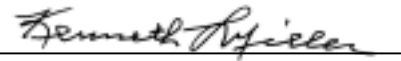
Effective July 1, 2002, entities licensed to conduct a gambling operation under IC 4-33-2-10 are required to withhold Indiana individual adjusted gross income tax on winnings from slot machines and keno games. Winnings (not reduced by the wager) valued at one thousand two hundred dollars (\$1,200) or more from a slot machine play, and winnings (reduced by the wager) valued at more than one thousand five hundred dollars (\$1,500) or more from a keno game shall be subject to withholding by the riverboat. The riverboat shall withhold tax at a rate of three and four tenths percent (3.4%) on the entire winnings.

The amount of tax withheld shall be paid to the Department before the close of the business day following the day the winnings are paid. The payment shall be made by electronic fund transfer as defined in IC 4-8.1-2-7. The licensed entity shall file a daily and monthly report to reconcile the amount of withholding taxes paid to the Department. The daily and monthly report

shall be filed as a part of the same form for reporting the admissions and wagering taxes paid under IC 4-33-12, and IC 4-33-13.

Slot machine and keno game winnings from a gambling operation that are reportable for federal income tax purposes shall be treated as subject to withholding under IC 6-3-4-8.2, even if federal tax withholding is not required.

An annual recap shall be filed by the licensed entity listing the name, address, social security number, the amount of winnings, and the amount of Indiana adjusted gross income tax withheld. The annual recap is due to the Department by January 31 of the year following the year of the withholding.

A handwritten signature in cursive script, reading "Kenneth L. Miller", is written over a horizontal line.

Kenneth L. Miller
Commissioner